

# The Grant County Labor Economy: 2000 in Review



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## Overview

This report quantitatively analyzes changes between 1999 and 2000 in unemployment and in nonagricultural employment by major employment group or by industry. The report also evaluates annual average covered wages in all of Grant County's major employment groups. Nonagricultural employment numbers include jobs covered by unemployment insurance plus jobs from several groups predominately "not covered" under the unemployment compensation system. This latter category includes corporate officers, railroad workers, elected officials, noncovered state government personnel, workers in religious organizations, teachers and staff at various private schools, and some youth employed by the Summer Youth Employment Program. Nonagricultural employment figures tally jobs by place of *work*. Conversely, unemployment data accounts for employment and labor force participation by place of *residence*. Since nonagricultural employment counts jobs dependent on where businesses are based (i.e., the location of the factory, store, or firm) and unemployment data refers to where people reside, there is often only a general correlation between these two sets of figures.

## Analysis of Total Nonagricultural Employment Changes in Grant County

Table 1 shows that between 1999 and 2000 total nonagricultural employment growth in Grant County did not keep pace with the more robust labor market expansion across Washington State. Grant County averaged 1.1 percent more jobs in 2000 than in the prior year. Washington State drove upward 2.6 percent in this timeframe. The Puget Sound area accounted for much of Washington's economic expansion over the year and contributed heavily

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to the statewide 2.6 percent annual average employment rise. Locally, services and government were the only two major employment groups that expanded their payrolls at paces substantially faster than their counterpart employment groups across Washington. Other manufacturing companies throughout Grant County lengthened their payrolls about 10 jobs in 2000, for a minute 0.6-percent upturn. When compared with the statewide 4.3-percent decline in other manufacturing employment (see Table 1), primarily caused by Boeing-induced downturns in aircraft manufacturing, this may be a small accomplishment for local non-food processing manufacturers. Conversely, food and kindred products (or food processing); construction and mining; transportation, communications, and private utilities; trade; and finance, insurance, and real estate all fell behind the rest of Washington in terms of the over-the-year job growth rates. In the following pages of this section, manufacturing, retail trade, services, and government are explored by evaluating over-the-year employment changes and other relevant demographics in some of their subordinate industries. These industries, listed after their respective major employment groups, are:

- Manufacturing – Food Processing Employment (Figure 3-A) and Other Manufacturing Employment (Figure 3-B).
- Retail Trade – Employment at Auto Dealers and Service Stations (Figure 6-A) and Changes in Taxable Retail Sales for SICs 52-59 from 1996-2000 (Figure 6-B).
- Services – Business Services Employment (Figure 7-A) and Health Services Employment (Figure 7-B).
- Government – Local Government Schools Employment (Figure 8-A) and Other Local Government Employment (Figure 8-B).

Table 2 summarizes employment changes, in absolute numbers and by percent, for each major industry or employment group in Grant County. In absolute terms the employment group that gained the most jobs in the year 2000 was services. This employment group added 330 new jobs for an 8.3 percent gain over the year. Government experienced substantial growth with 310 new workers, an expansion of 4.9 percent. Retail trade showed the third largest increase. Ninety new retail jobs were added in Grant County, a 2.1-percent upturn that was a little less vigorous than the state's 3.2-percent escalation.

Figure 1 graphically illustrates that the over-the-year pace of job growth in Grant County was generally slower than Washington's. It also depicts that the gap widened in the last half of 2000 as the local labor market contracted. The sizeable changes or large fluctuations in local over-the-year change rates from month to month are not that unusual for Grant County or for most counties with relatively small employment bases. For example, a gain or loss of 100 jobs across the county alters over-the-year percentage changes in total nonagricultural employment by roughly four-tenths of a percentage point. Nevertheless, the job growth-rate disparity between the county and the state intensified in the last half of the year. Figure 2 shows this situation by plotting the total number of nonagricultural jobs in Grant County for each month from January 1999 to December 2000. By the last quarter of 2000 the labor economy began to shed jobs when compared to the corresponding quarter of 1999.

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**Table 1: Comparison of 1999-2000 Annual Average Employment Changes  
In Washington State and in Grant County**

MAJOR EMPLOYMENT GROUP OR INDUSTRY	GRANT COUNTY: 1999-2000 CHANGES	WASHINGTON STATE: 1999-2000 CHANGES
<b>TOTAL</b>	<b>1.1%</b>	<b>2.6%</b>
Manufacturing	-4.6%	-3.8%
Food and Kindred Products	-7.0%	-0.2%
Other Manufacturing	0.6%	-4.3%
Construction & Mining	-9.7%	5.2%
Transportation, Communications, and Utilities	-5.1%	4.9%
Wholesale Trade	-5.4%	1.2%
Retail Trade	2.1%	3.2%
Finance, Insurance, and Real Estate	-1.9%	-0.3%
Services	8.3%	5.6%
Government	4.9%	1.9%

**Table 2: 1999-2000 Nonagricultural Wage and Salary Employment Changes  
In Grant County**

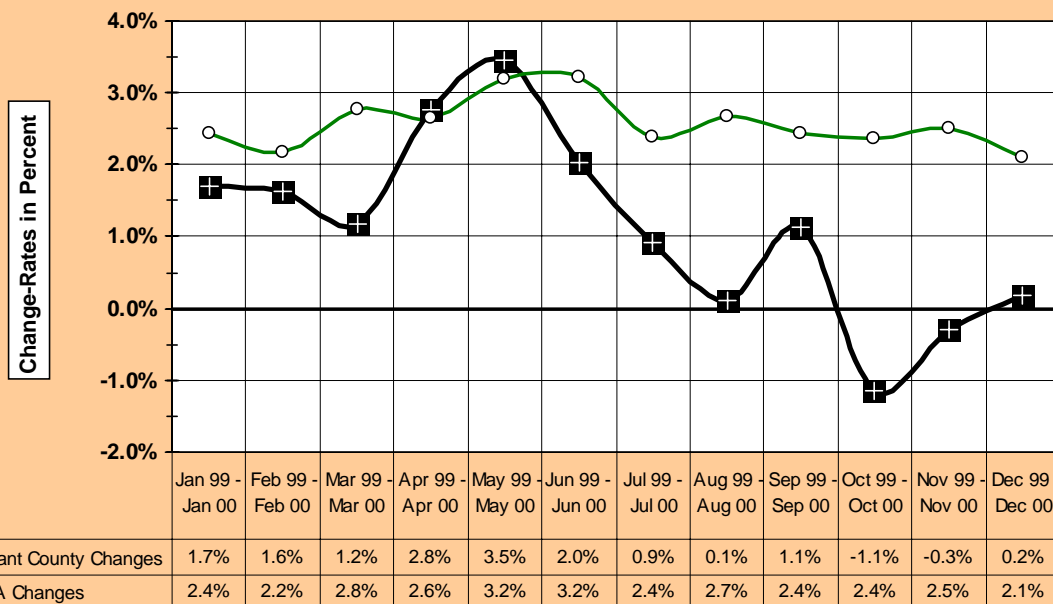
MAJOR EMPLOYMENT GROUP OR INDUSTRY	ANNUAL AVERAGE 1999	ANNUAL AVERAGE 2000	NUMERICAL DIFFERENCE 1999-2000 <sup>1</sup>	PERCENT DIFFERENCE 1999-2000
<b>TOTAL<sup>2</sup></b>	<b>23,690</b>	<b>23,940</b>	<b>250</b>	<b>1.1%</b>
Manufacturing	5,010	4,780	-230	-4.6%
Food and Kindred Products	3,280	3,050	-230	-7.0%
Other Manufacturing	1,730	1,740	10	0.6%
Construction and Mining	1,000	930	-100	-9.7%
Transportation, Communications, and Private Utilities (TCU)	990	940	-50	-5.1%
Wholesale Trade	1,470	1,390	-80	-5.4%
Retail Trade	4,340	4,430	90	2.1%
Finance, Insurance, and Real Estate (FIRE)	530	520	-10	-1.9%
Services	3,990	4,320	330	8.3%
Government	6,320	6,630	310	4.9%
Workers in Labor Disputes	0	0	XXX	XXX

<sup>1</sup> Differences in industry employment of 20 or less may not be significant due to rounding.

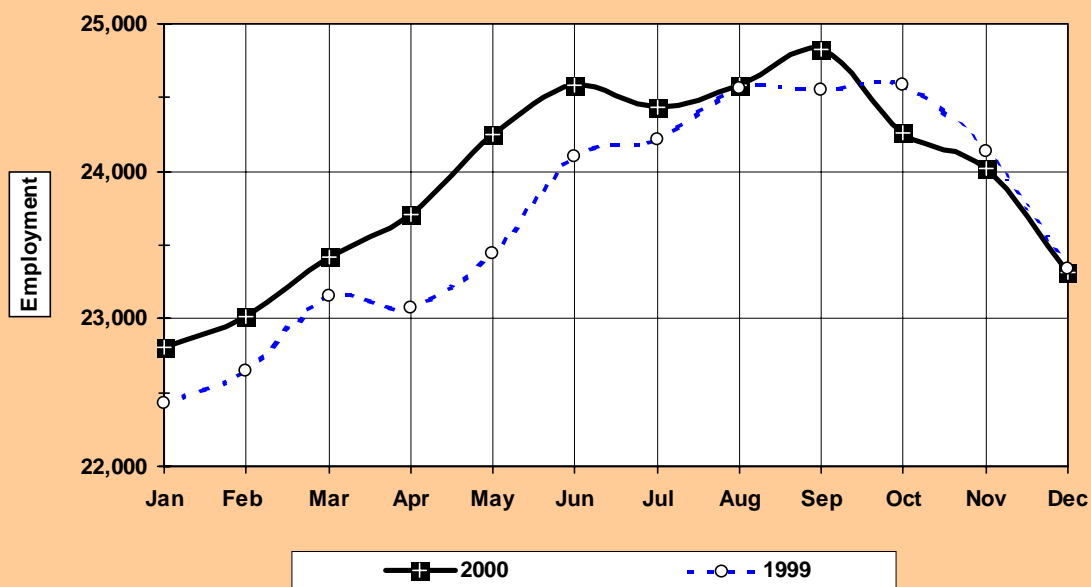
<sup>2</sup> Excludes proprietors, the self-employed, members of the Armed Services, unpaid family members, workers in private households, and agricultural workers. Includes full- and part-time wage and salary workers by place of work.

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**Figure 1**  
**GRANT COUNTY versus WASHINGTON STATE:**  
**1999 - 2000 EMPLOYMENT CHANGE-RATES**  
(Prepared 2 July 2001)



**Figure 2**  
**GRANT COUNTY: TOTAL NONAGRICULTURAL EMPLOYMENT**  
**FROM JANUARY 1999 TO DECEMBER 2000**  
(Prepared 2 July 2001)



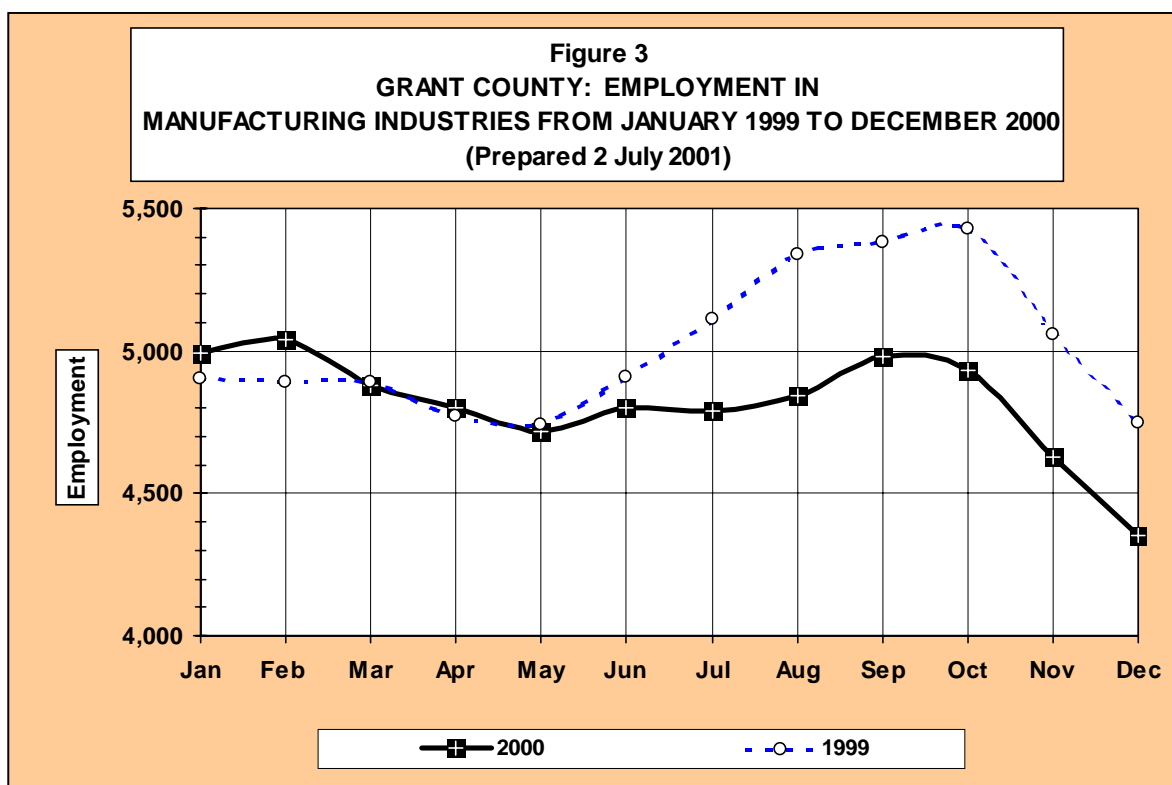
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### Manufacturing

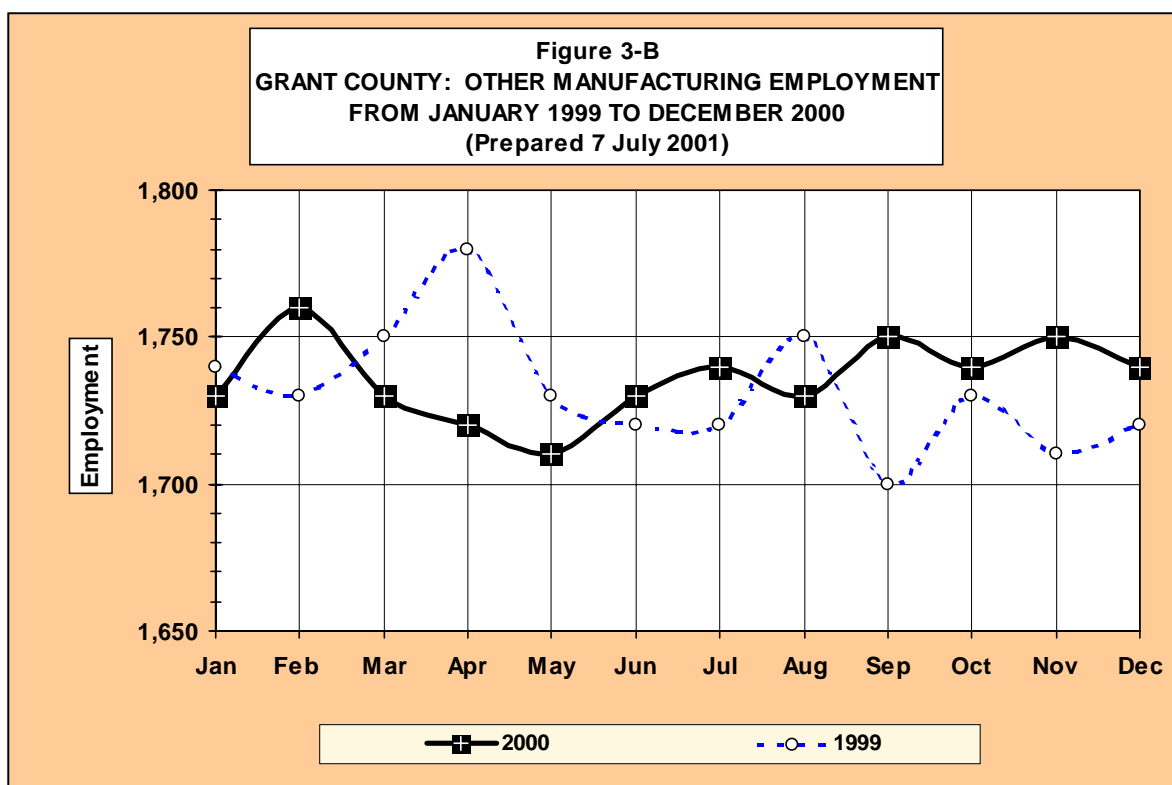
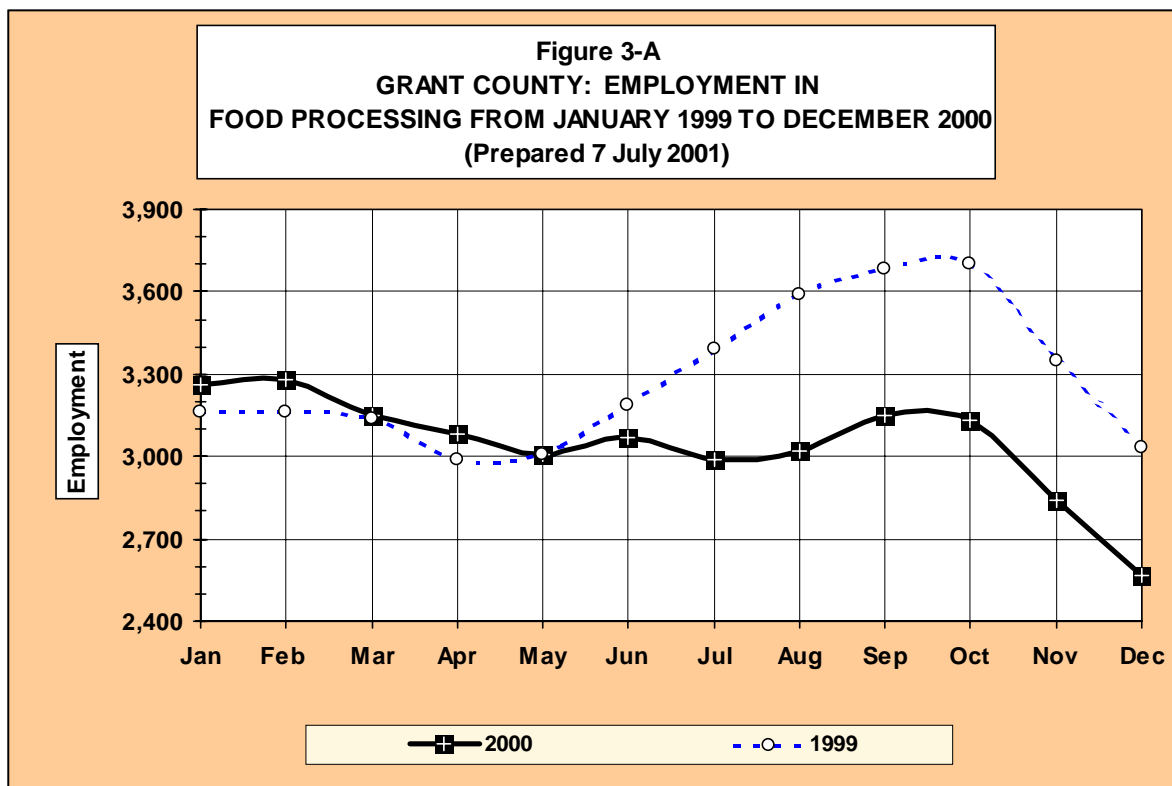
In Washington, manufacturing scaled back by 3.8 percent between 1999 and 2000. In Grant County, manufacturing contracted by 230 jobs, a 4.6-percent decline. As shown in Figure 3, this downward movement in manufacturing accelerated in the last half of 2000.

Almost two-thirds of Grant County's manufacturing jobs are in food processing (also called food and kindred products). In 1999 this industry pumped \$80.6 million in payrolls into the economy. Of the twelve major local employment groups/industries, food processing ranked number two behind "other" local government's \$93.5 million in terms of payroll size. According to the Grant County Economic Development Council's list of the "Largest 25 Employers in the County," seven of the largest 25 local businesses are food processors. J.R. Simplot in Quincy leads the list with approximately 1,100 employees. In 1999 a food processor in Grant County earned \$24,639 which was 79.1 percent of the corresponding wage statewide.

Food and kindred products accounted for virtually all of the slowdown in Grant County's manufacturing sector in late 2000, as shown in Figure 3-A. Automation, especially amongst potato processors, steadily eroded employment in the local food processing industry. Conversely, other manufacturing made a minute 0.6-percent upturn by adding about 10 more jobs over the year (see Figure 3-B). Other manufacturing accounted for the remaining one-third of local manufacturing employment and added \$57.6 million in payrolls to the county economy. The typical other manufacturing worker made \$33,661, or 72.8 percent of Washington's annual average other manufacturing salary.



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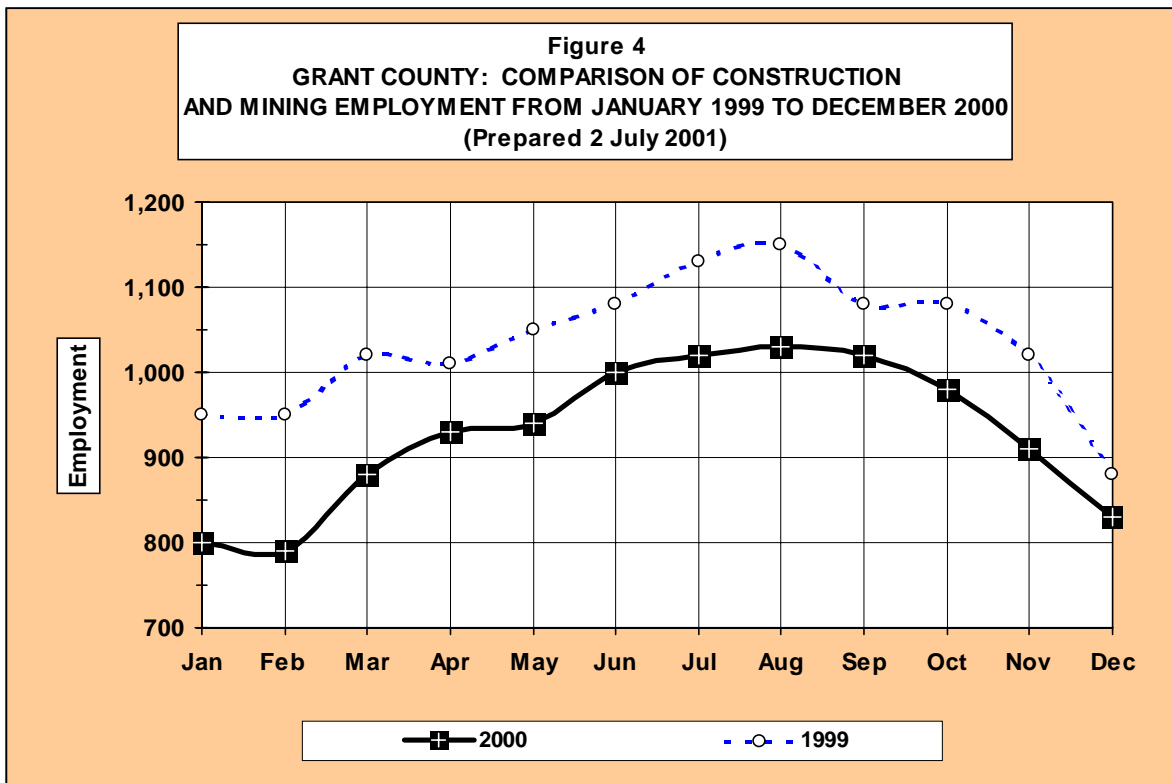


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### Construction and Mining

Construction companies accounted for roughly 90-95 percent of all the jobs in this combined mining and construction category in which the annual average wage in 1999 was \$27,144. This was 75.8 percent of the statewide annual average for this combined category, where the typical wage earner made \$35,796 per year. Between 1999 and 2000 construction and mining employment cut back 9.7 percent in Grant County (see Figure 4). Conversely, across Washington the corresponding pace was an advance of 5.2 percent.

The softer employment picture in the local construction industry was reflected by fewer permits being issued by the Grant County Building and Fire Marshal's office over the year. Total permits issued fell from 978 in 1999 to 825 one year later. Total valuation of these building permits also dropped by \$20 million, going from \$62.5 million in 1999 to \$42.5 million in 2000. Even the number of permits issued for single family homes fell from 136 with an assessed valuation of \$18.8 million in 1999, to 108 the next year with an assessed valuation of \$15.8 million.

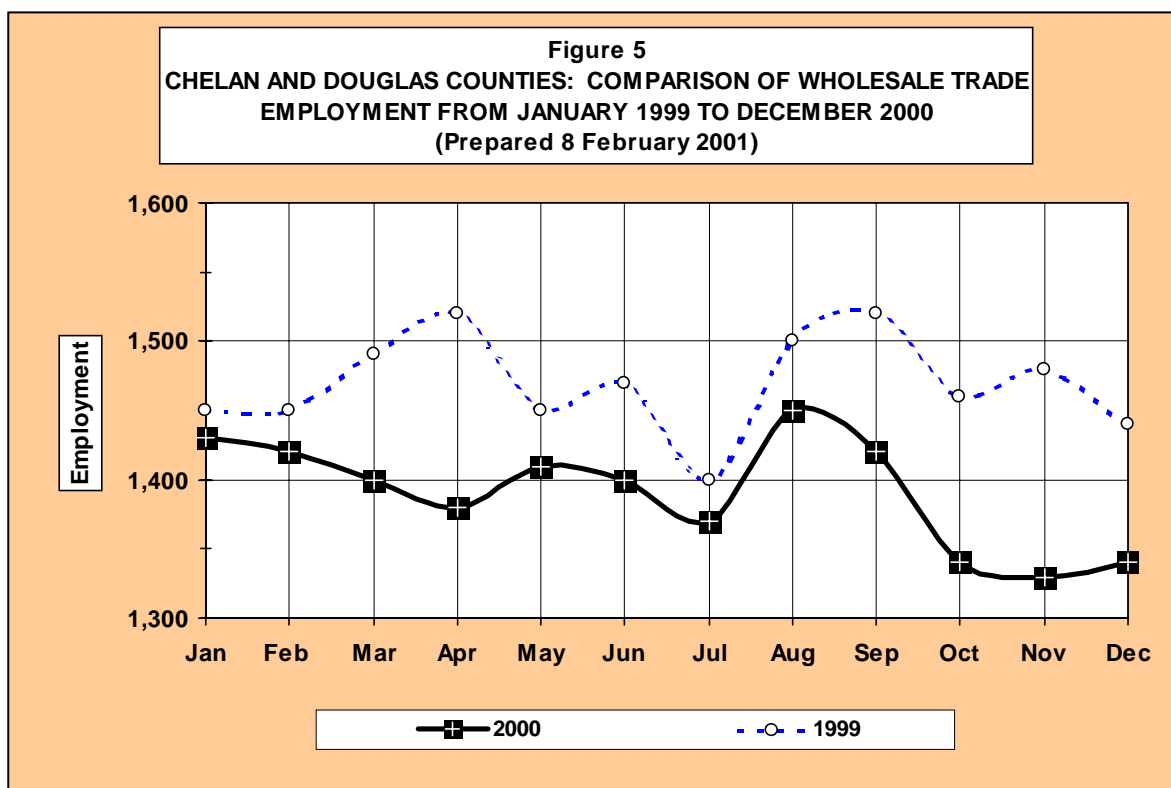


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### Wholesale Trade

In aggregate, local “durable” and “nondurable” goods wholesalers shortened employment rolls 5.4 percent over the year. Figure 5 illustrates the fact that this wholesale trade category lost roughly 80 jobs between 1999 and 2000. Total covered wages in 1999 for all wholesale trade jobs were \$38.8 million with an annual average wage of \$27,633. This was 68.0 percent of the annual average wholesale trade wage across Washington.

Approximately 60-65 percent of Grant County's wholesale trade employment in 2000 was with wholesalers of nondurable, primarily agricultural, goods. Firms that wholesaled everything from fresh fruit and vegetables (i.e., packinghouses), groceries and related products, grain and field beans, and miscellaneous farm supplies (i.e, feeds, seeds, and farm chemicals) were included in this category. These nondurable goods wholesalers shortened their personnel rosters by roughly 40 workers over the year. Durable goods wholesalers (i.e., of automotive supplies and parts, farm and garden machinery and equipment, industrial machinery and equipment, etc.) did not have a particularly good year in 2000 either. They also lost about 40 jobs in 2000.



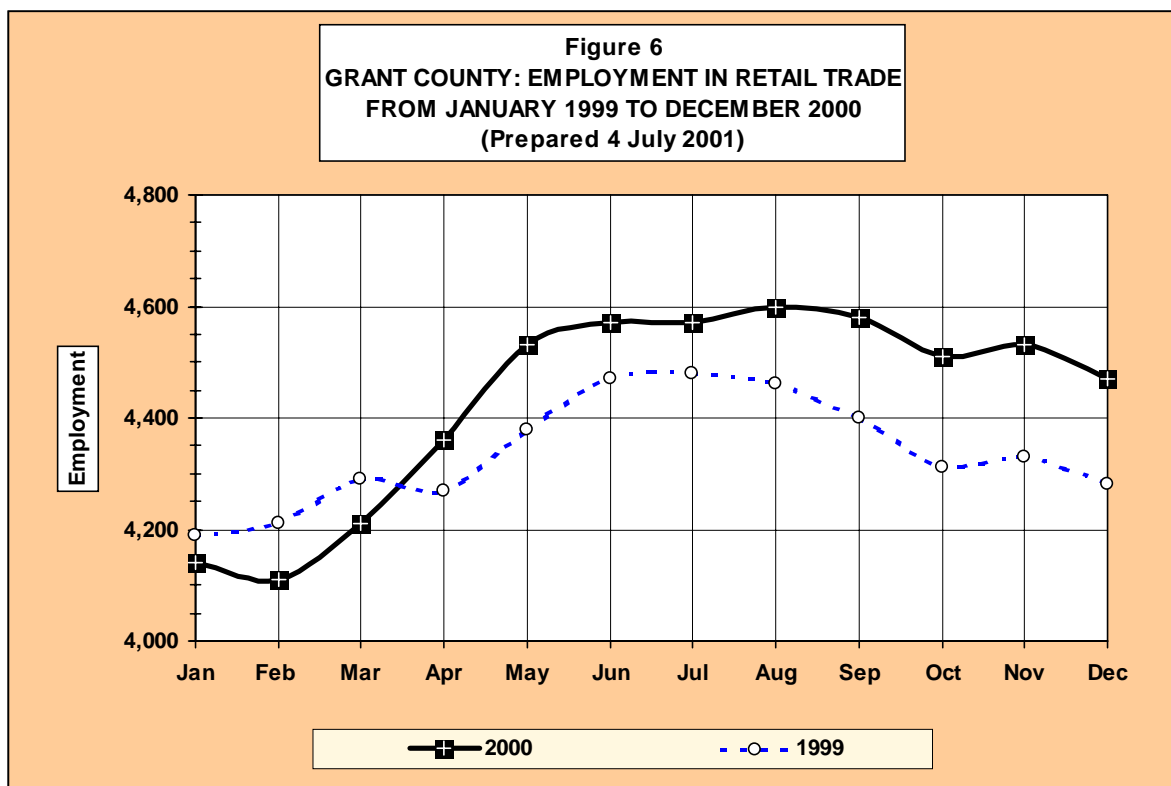


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### Retail Trade

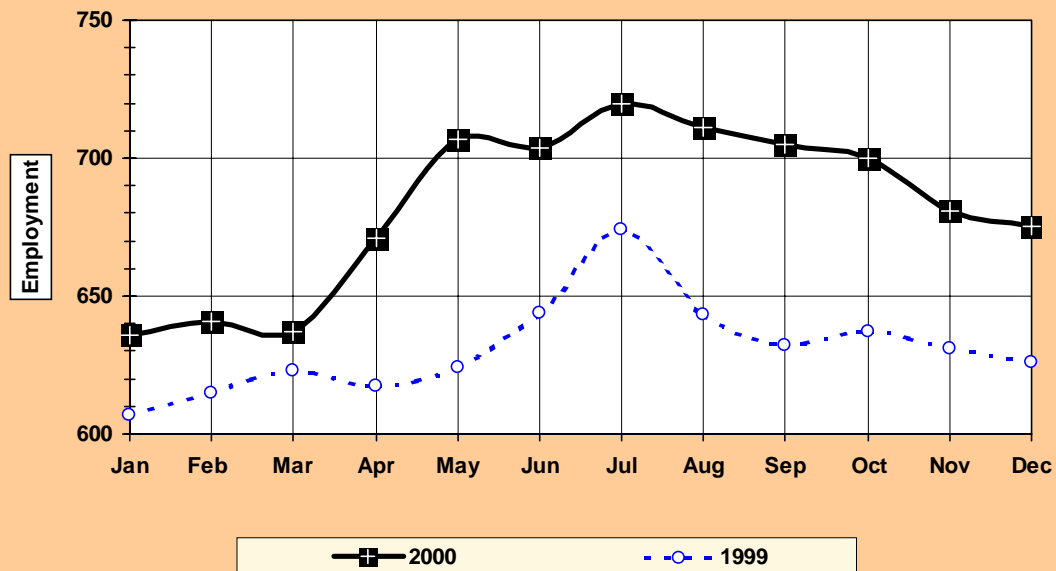
Retail trade is a diverse employment group containing such businesses as grocery stores, new and used car dealers, auto parts stores, gasoline service stations, furniture stores, eating and drinking places, drug stores, etc. Together, this group accounted for an annual payroll of \$62 million with an annual average wage of \$14,722, ranking retail trade as the lowest paid employment group in the county. Across the state in 1999, the average retail trade worker brought home a paycheck of \$19,354. Since many retail jobs are part-time, annual average wages are relatively low in this industry.

In aggregate, retail trade employers in Grant County added about 90 jobs over the year, for a moderate increase of 2.1 percent as shown in Table 2. Figure 6 illustrates that this retail employment acceleration occurred mostly in the last three quarters of 2000. Approximately 50 of the 90 jobs that were added in 2000 came from auto dealers and service stations (see Figure 6-A). Even better news came from observing over-the-year change rates in taxable retail sales which were graphed every year between 1996 and 2000 in Figure 6-B. In the most recent period graphed in Figure 6-B, taxable retail sales expanded 3.8 percent; from \$341.0 million in 1999 to \$353.9 million in 2000. Clearly this is a step in the right direction compared with the 1998-1999 retail sales decrease of 0.5 percent.

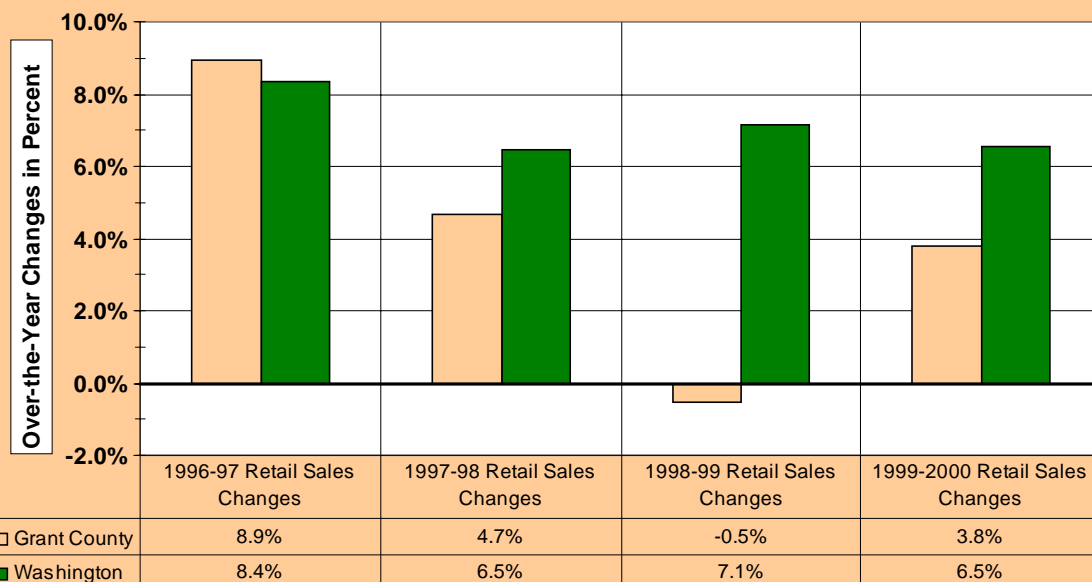


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**Figure 6-A**  
**GRANT COUNTY: EMPLOYMENT AT AUTO DEALERS AND SERVICE STATIONS**  
**FROM JANUARY 1999 TO DECEMBER 2000**  
(Prepared 9 July 2001)



**Figure 6-B**  
**COMPARISON OF CHANGES IN TAXABLE RETAIL SALES FOR SICs 52-59**  
**IN GRANT COUNTY AND IN WASHINGTON STATE FROM 1996 TO 2000**  
(as of 5 July 2001)

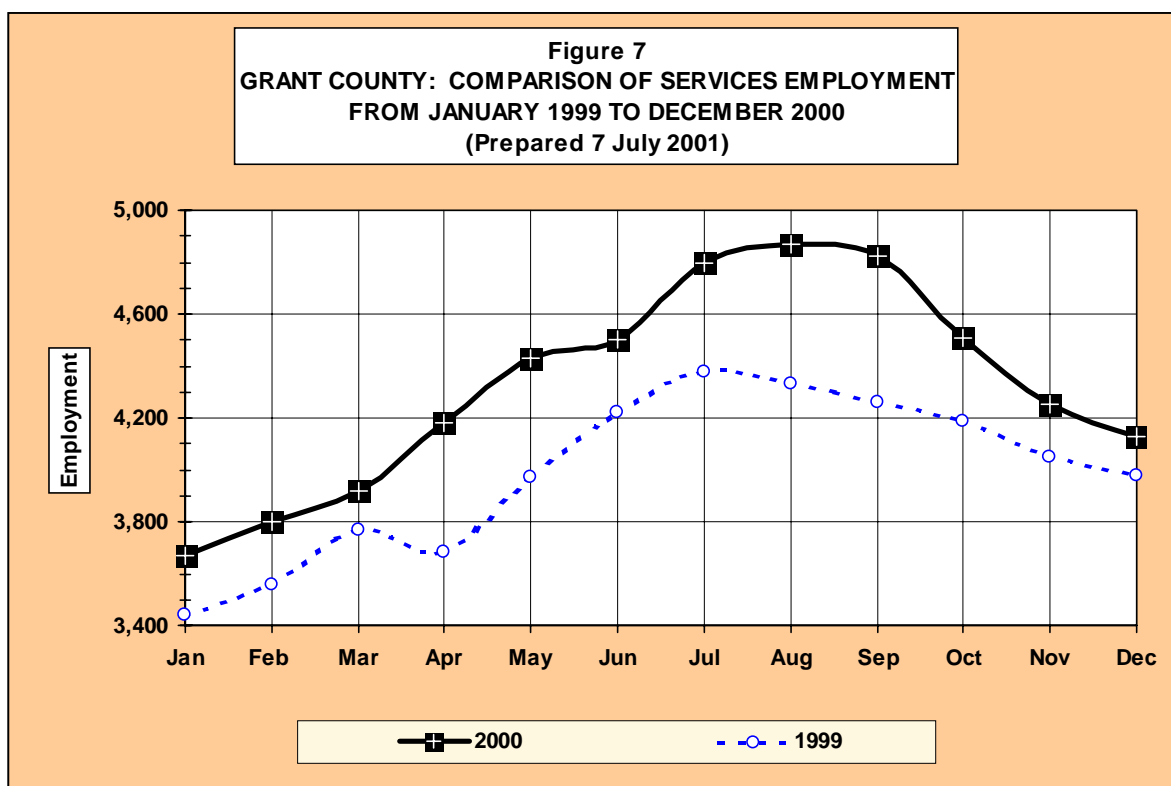


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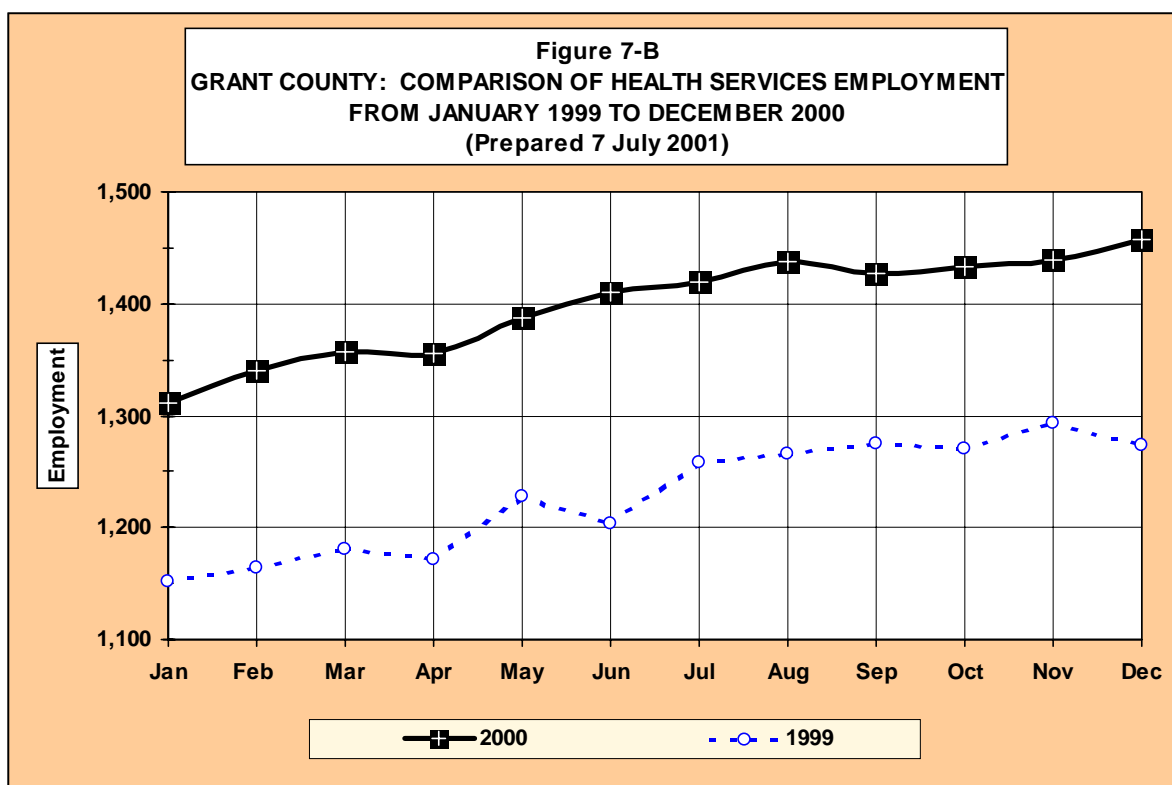
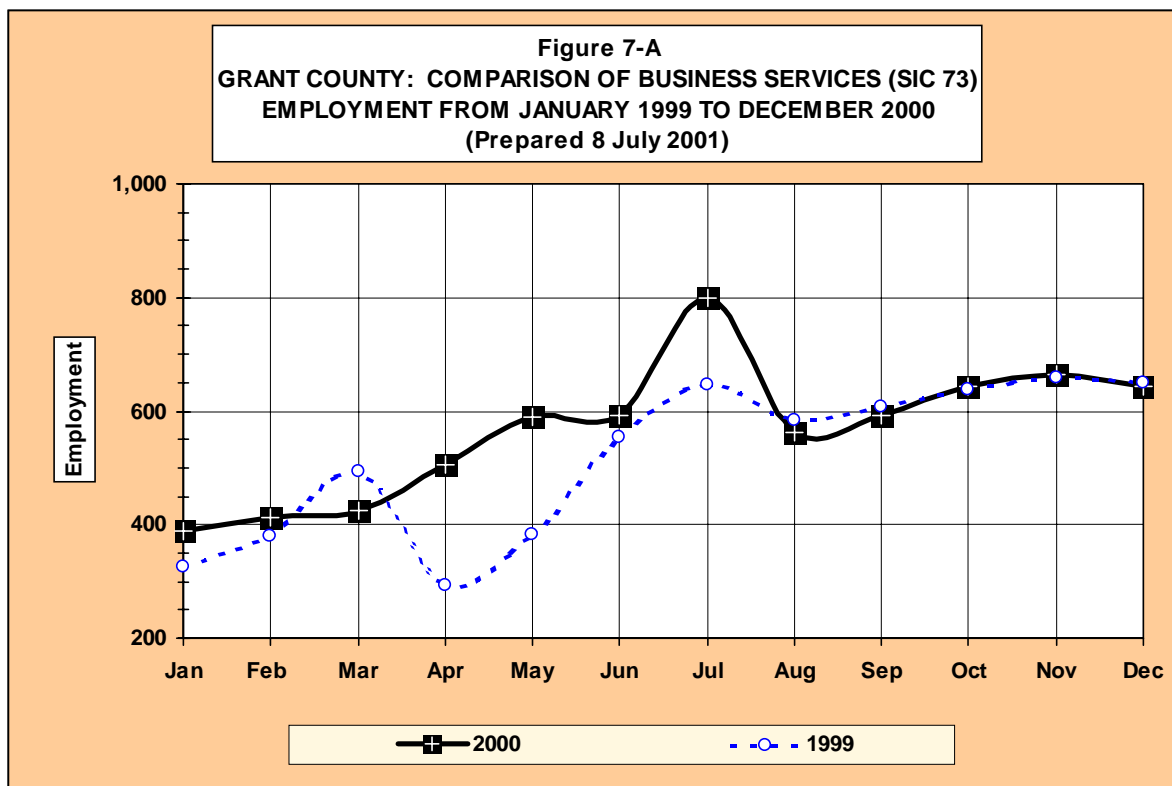
### Services

Local services businesses provided about 4,320 jobs in 2000; up 8.3 percent, or 330 jobs, over the previous year. This growth-rate was even more impressive than the 5.6 percent services escalation statewide. Grant County's business services industry had a strong year as evidenced by a 9.7 percent improvement, shown in Figure 7-A. A new temporary help agency opened in Grant County in 2000 which further helped elevate business services employment. Figure 7-B points out that health services experienced a robust growth rate of almost 14 percent over the year and that this development was steady throughout all of 2000. When nonagricultural employment numbers were tallied, the health services total for the year 2000 was 170 jobs more than in 1999. Approximately one out of every three services jobs in Grant County is in the private sector health services field. This does not include employment at public medical facilities such as Coulee Community Hospital, Columbia Basin Hospital, and Samaritan Hospital whose employment is accounted for under "other" local government.

Total covered wages in services totaled \$65.2 million in 1999. This ranked services as the third largest employment group in Grant County in terms of payrolls - behind other local government's annual payroll of \$93.5 million, and food processing's figure of \$80.6 million. However, the average services job paid \$17,525 per year which placed this category second-to-last when comparing annual average covered wages by employment group/industry.



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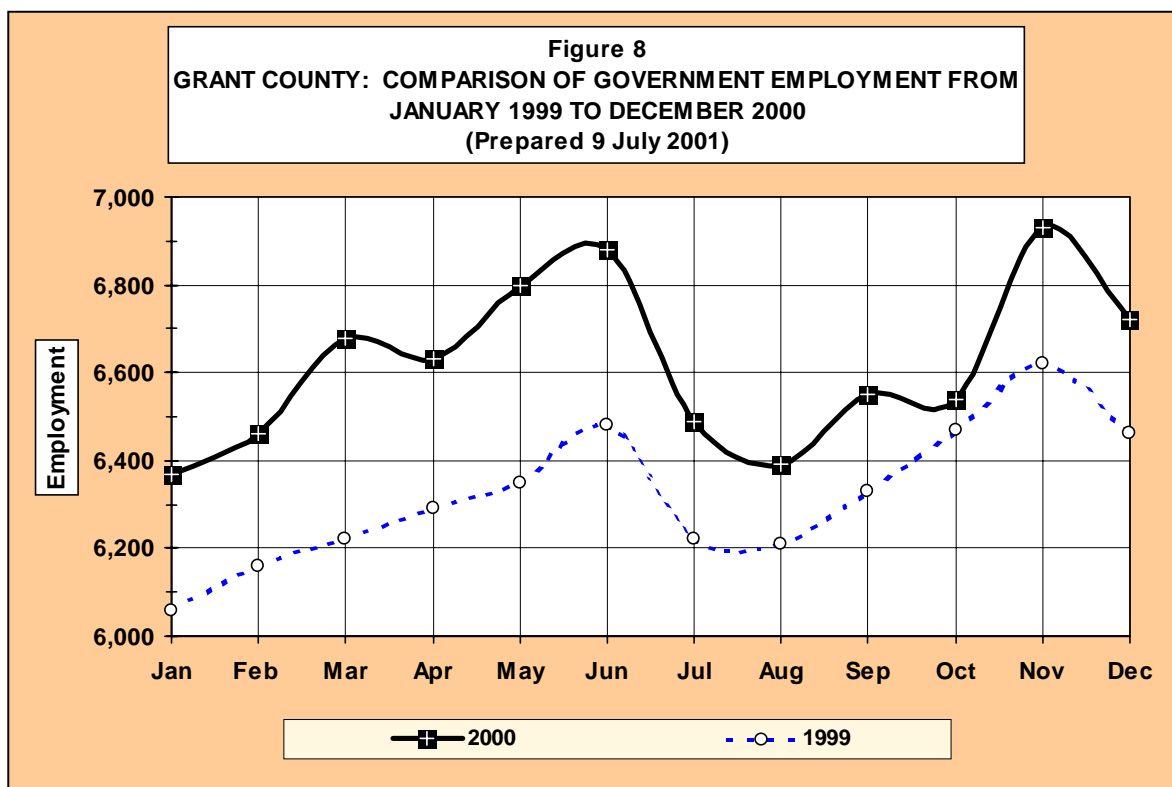
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### Government

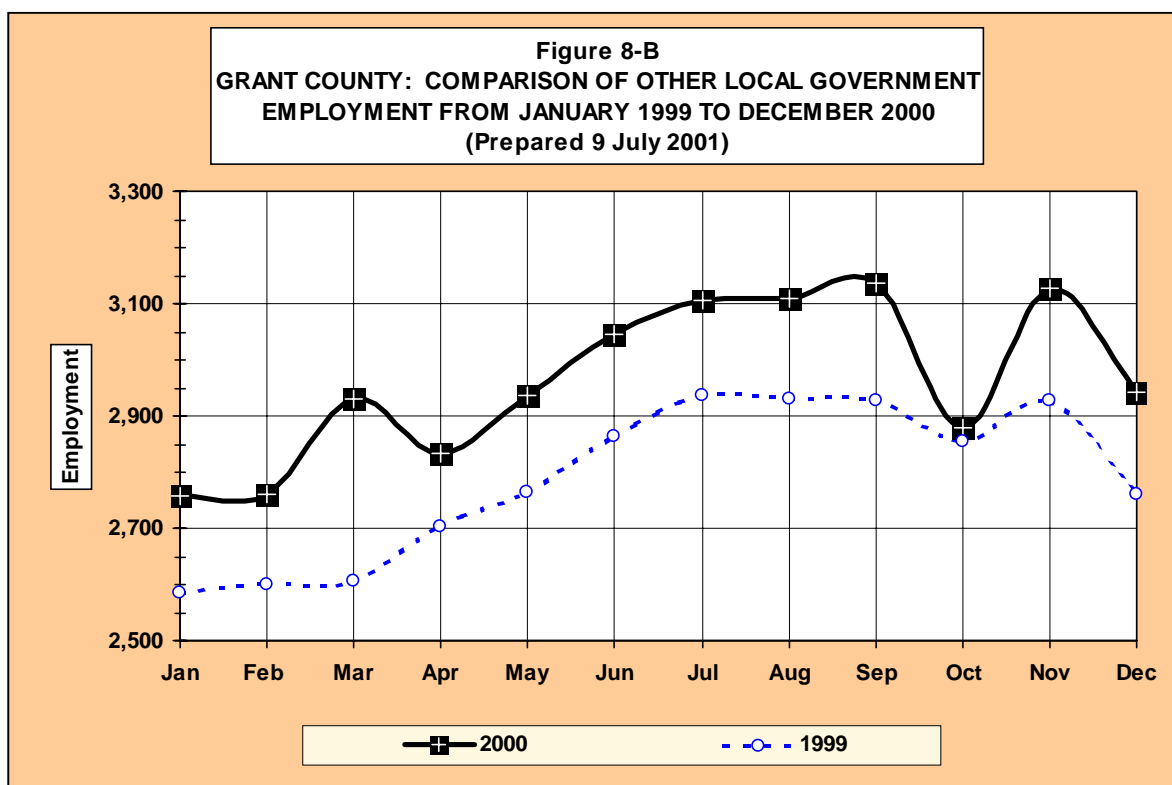
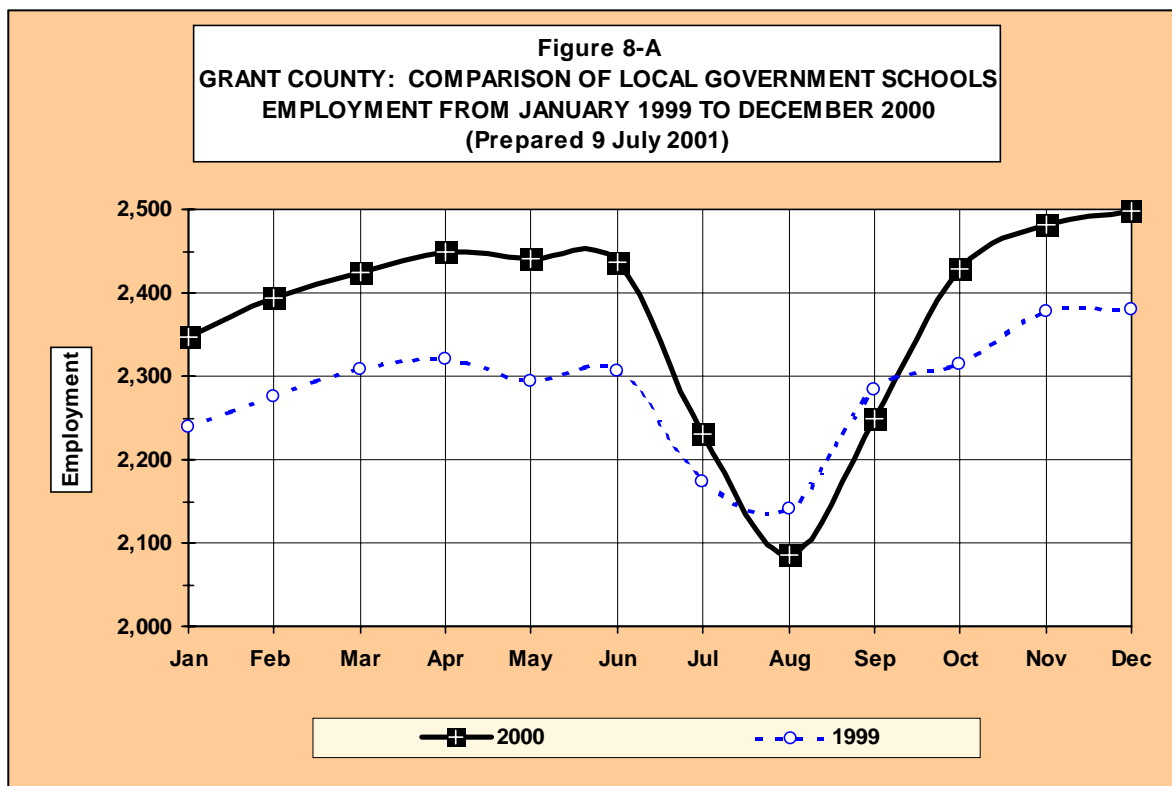
Figure 8 shows that throughout 2000 federal, state, and local governments added a total of 310 new jobs to the Grant County labor market, an impressive 4.9 percent expansion. Across Washington, government advances averaged out to a more modest 1.9 percent. Government also employed more people than any other employment division in Grant County. In 2000, of the 23,940 total nonagricultural jobs, 6,630 were with the local, state, or federal government. Thus, almost three out of every ten local jobs was a government job.

Local government schools broadened their employment base by about 90 jobs, up 3.8 percent (see Figure 8-A). Other local government employment had an even stronger year and accumulated approximately 175 new jobs, a 6.3 percent over-the-year expansion (see Figure 8-B). About 85 percent of all government job gains occurred at the local governmental level. State government was unchanged over the year. Federal government experienced a huge 20.5 percent increase in employment between 1999 and 2000, a 60-job gain. But this advance was only temporary, attributed to a hiring phenomenon that occurs once every ten years when the federal government takes on temporary enumerators for the U.S. Census.

Annual average covered wages for government employees, especially at the federal level, were higher than most wages for other major employment groups/industries in the county (see Table 3). For example, in 1999 federal government workers earned \$38,078 per year, the top annual average wage rate in Grant County. For a ranking of average wages in 1999 by major employment group or industry please refer to Table 3.



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### Annual Average Covered Wages

Covered wage data for all of 2000 is not yet available, hence average wages for 1999 were listed in Table 3. This table ranks average annual wages in Grant County by industry, from highest to lowest. Annual average wages by industry ranged from the federal government's yearly salary of \$38,078 to the retail trade industry's figure of \$14,722.

The annual average wage earner in Grant County for each major employment group lagged his/her counterpart across Washington. For example, the typical "other" local government job (i.e., a noneducation related job with a local public hospital or with town, city, or county government) in Grant County paid \$33,531. This was 89.0 percent of the \$37,656 "other" government salary in Washington. The typical worker in a local services job earned only 42.1 percent of the salary made by his/her counterpart across Washington. The \$41,642 annual statewide services salary included the extremely profitable computer and data processing field within the business services industry. In 1999 an employee in the latter industry normally earned an annual salary of \$88,805 per year.

The average job in Grant County in 1999 (which includes agriculture, forestry, and fishing wages), paid \$21,943 per year. First place amongst Washington's 39 counties was King County where the corresponding figure was \$46,053 per year. The average wage earner in Washington State made \$35,724 in 1999. Thus the typical breadwinner in the county during 1999 earned only 61.4 percent of the state average wage. Grant County placed 30th out of 39 Washington counties when ranked, highest to lowest, by annual average wages.

**Table 3: Average Wages in 1999 by Industry: Grant County and Washington  
(Ranked by Covered Annual Average Wages in Grant County)**

MAJOR EMPLOYMENT GROUP OR INDUSTRY	TOTAL COVERED WAGES IN 1999 <sup>1</sup>	AVERAGE WAGE IN 1999 IN GRANT COUNTY	AVERAGE WAGE IN 1999 IN WASHINGTON STATE
Federal Government	\$11,102,827	\$38,078	\$42,862
Other Manufacturing	\$57,626,941	\$33,661	\$46,216
Other Local Government	\$93,500,732	\$33,531	\$37,656
State Government	\$21,335,349	\$31,078	\$35,099
Transport, Communications, Utilities	\$28,316,561	\$30,535	\$43,109
Wholesale Trade	\$38,841,038	\$27,633	\$40,663
Mining & Construction	\$25,836,942	\$27,144	\$35,796
Local Government Schools	\$56,293,001	\$24,642	\$27,778
Food Processing	\$80,644,825	\$24,639	\$31,163
Finance, Insurance, and Real Estate	\$11,339,057	\$22,558	\$41,745
Services	\$65,186,808	\$17,525	\$41,642
Retail Trade	\$61,982,561	\$14,722	\$19,354
<sup>1</sup> Excludes proprietors, non-covered corporate officers, the self-employed, members of the Armed Services, unpaid family members, workers in private households, and agricultural workers. Includes full- and part-time wage and salary workers by place of work.			

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### Unemployment and Labor Force Changes

The unemployment rate in Grant County averaged 10.1 percent in 2000, which was a moderate increase from the 1999 rate of 9.4 percent. The average number of people unemployed was 3,770 per month in 2000, up from 3,530 per month in 1999. By comparison, the annual average unemployment rates across Washington were 4.7 percent in 1999 and 5.2 percent in 2000. Thus, while the state rate edged upward by half a percentage point, the unemployment rate in the county rose by 0.7-point over the year. Grant County's nonagricultural sector netted a 250-job gain while the agricultural sector showed a 40-job dip (from 8,560 to 8,520) between 1999 and 2000.

Total benefits paid to Unemployment Insurance (UI) claimants actually subsided from \$14.8 million in 1999 to \$14.6 million in 2000. However, the number of "initial" UI claims rose slightly from 12,884 to 12,922 – not a good economic indicator. The encouraging news was that the number of "final pays" declined from 1,397 in 1999, to 1,144 one year later. Thus, UI claims data paints a slightly better picture of over-the-year changes in the local labor economy than the resident labor force data.

